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CIA fears form will spill secrets probe

By JOE TRENTO

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WASHINGTON — Battered by a decade of scandal, the CIA is being threatened with a new round of damaging revelations by a renegade agent who has been indicted for plotting a political assassination for Libya's Col. Moammar Khadafy.

Edwin P. Wilson, the former agent, is now an international arms dealer and Khadafy's key military adviser. CIA officials believe that unless the charges and continuing federal probe of Wilson are dropped Wilson will disclose:

- CIA payoffs to Egyptian President Anwar Sadat, who stashed millions of American dollars in a Swiss bank account and used the funds to further his domestic political aspirations.
- A CIA-backed scheme to steal \$600 million from the Iranian national treasury and give it to the late Shah of Iran.
- Bribes Wilson made to 16 members of Congress to grease the way for his free-wheeling business schemes.

Wilson was indicted 18 months ago for his part in a conspiracy to murder one of Khadafy's political opponents.

In addition, Wilson was indicted for offering two former Cuban CIA contract men \$1 million to kill a political opponent of Moammar Khadafy. He and a subordinate were also indicted for illegally shipping high explosives to Libya.

Top CIA officials, Wilson's colleagues and former employers, have told the Sunday News Journal that Wilson has threatened officials at the agency with "graymail" if he is arrested. Graymail, a term coined by lawyers, means a threat by a government official with access to secrets to reveal some of those secrets to avoid prosecution.

Wilson, who is 53, joined the CIA in the 1950s. In the next decade he was involved in several attempts to overthrow Cuban Premier Fidel Castro. He trained anti-Castro forces for the disastrous Bay of Pigs invasion. In an operation code named JM WAVE he was responsible for additional harassment of the Cuban dictator.

He spent much of the 1960s in Vietnam and Cambodia. After his return to Washington in 1971 he became

Force 157, a Navy intelligence operation.

Task Force 157 was involved in tracking Soviet forces. Also, it functioned as a covert communications center. Henry Kissinger, President's national security adviser, was the time of the secret Channel and Kissinger's "shuttle diplomacy."

The operation was also a pingstone that Wilson needed to begin wheeling and dealing on a global scale. According to confidential sources, he used his position and contacts to establish — and profit from — scores of businesses fronting for various intelligence agencies. He started out as a "5-percenter," taking a slice off the top, and expanded into large-scale double-dealing and extortion from merchants doing business with government agencies. It was — and is — say federal investigators and two former employees, an illicit empire stretching from Wilson's \$5-million horse farm south of Washington to the Middle East, all protected by the senators and representatives and intelligence officials on his payroll.

Wilson has repeatedly evaded arrest, on one occasion by producing a new passport and travel documents after his were confiscated. According to E. Lawrence Barcella Jr., the prosecutor in his case, Wilson has even traveled in the United States since his indictment, and escaped capture.

According to a top CIA official who recently met with him, Wilson possesses proof of payoffs by the CIA to Sadat from the earliest days of his political career. Wilson also was responsible for paying Sadat's family and aides millions of dollars in "commissions" for military hardware sold to Egypt and other Middle Eastern nations. The official

Patrick Judge Jr., 34, both ex-intelligence operatives, told the Sunday News Journal that they had played roles in the payoffs to congressmen and in the scheme to remove the Shah's money.

Both Judge and Mulcahy have been questioned by FBI agents and federal prosecutors.

According to Judge and Mulcahy, Wilson made the payoffs through his Consultants International Corp. and used former CIA and other military and intelligence veterans in his employ to procure consulting business through bribes, the use of prostitutes and lavish entertaining on his Virginia estate.

According to Judge and Mulcahy, any vendor who wanted to sell items to the CIA, Office of Naval Intelligence, Defense Intelligence Agency, Army Intelligence and others had to use Wilson's firm.

"It didn't matter if it was sophisticated stuff or toilet paper, . . . a lot of businessmen who had gone to their congressmen were told to deal with Ed," Judge said in an interview.

Ed Wilson treated these senators and congressmen so well that when some businessmen wanted to sell to the Pentagon or the CIA they were told automatically that Consultants International was the firm that could clear the way," he said.

Wilson had also arranged for kickbacks to procurement officials

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The Paisley Affair

A CIA tale of blood and intrigue

By Daniel Burstein
Constitution Special Correspondent

WASHINGTON — It was a sun-swept afternoon, September 24, 1978. A lone sailor — middle-aged, tanned, with a scraggly beard — allowed his 31-foot sloop, the Brillig, to drift across the shimmering waters of Chesapeake Bay. He studied some documents from his briefcase. He switched on and off his very special radio. He munched on a pickle loaf sandwich.

Then something extraordinary happened. Something violent. Something that shook American national security to its foundations and is still reverberating around the world in financial scandals, murders and the nuclear brinksmanship of the superpowers.

Exactly what happened to John Arthur Paisley three years ago is not known for certain by anyone who will talk about it. The Central Intelligence Agency, for which he worked much of his life as an expert on Soviet nuclear capabilities, the Federal Bureau of Investigation, and the Senate Intelligence Committee may know. But their reports remain clamped under a tight lid of secrecy.

Paisley, 55, never finished his sandwich and never returned from that day at sea. A bloated, blood-drained corpse with a 9mm bullet lodged in the brain was dragged out of the bay a week after the empty Brillig ran aground.

Soon thereafter, the Maryland State Police identified the body as Paisley's and the cause of death as suicide. Official accounts from the police, FBI and CIA, pictured Paisley as a "low-level analyst" retired from the CIA, who committed suicide in despondency over his estrangement from his wife Maryann.

It took only a few weeks, however, for investigative reporters in cities that dot the Chesapeake area to tear through all three points in the official story, with a mountain of evidence and a maze of unan-

Newspaper: in that Paisley was not as Stansfield Turner, had contended, important figures in community. In fact, prominently in the Soviet "mole" (double upper echelons of the some suspect, was the

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this day, there are serious q. Paisley's and whether the c. suicide.

Paisley's disappearance and possible death rocked Washington in the fall of 1978. One CIA source remarked at the time that "this thing is so big it touches every vital nerve in Langley," the CIA's headquarters. A senator confided more than a year later that the Carter administration's failure to win Senate ratification of the SALT agreement had "a very great deal" to do with concerns that Paisley's disappearance had somehow compromised U.S. satellite verification abilities — the field in which Paisley was most expert.

Three years later, the demand for answers about Paisley has not abated. The mystery has grown only more knotted and troublesome as a continuing tale of blood and intrigue is associated with Paisley's name.

• In mid-1980, the Nugan-Hand Merchant's Bank in Australia collapsed with Francis J. Nugan having been found murdered earlier in the year and his American partner, Jon Michael Hand, having disappeared. Scandalous revelations poured out about the CIA's use of the bank to launder funds for international covert action. It was an important enough institution for former CIA director William Colby to have been Nugan's personal lawyer in America, and it has recently come to light that Paisley was particularly preoccupied with Nugan-Hand's operations in August and September 1978, only days before his disappearance. He had specifically asked a former consultant to the bank to join him at Coopers and Lybrand, an accounting firm intimately involved in the CIA's financial affairs where Paisley was employed after his formal retirement as deputy director of the Office of Strategic Research at the CIA in 1974.